BEFORE THE FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of

Lifeline and Link Up Reform and Modernization

WC Docket No. 11-42

Telecommunications Carriers Eligible for Universal Service Support

WC Docket No. 09-197

Connect America Fund

WC Docket No. 10-90

Joint Petition To Pause Implementation of December 2019 Lifeline Minimum Service Standards Pending Forthcoming Marketplace Study

COMMENTS OF THE PUBLIC UTILITY COMMISSION OF OREGON

The Public Utility Commission of Oregon ("OPUC"), pursuant to the Public Notice released on July 1, 2019 (DA 19-671), hereby respectfully submits its comments on the joint petition to pause the implementation of scheduled updates to the Lifeline minimum service standards and support amounts filed by the National Consumer Law Center, National Hispanic Media Coalition, OCA – Asian Pacific American Advocates, United Church of Christ, OC, Inc., and CTIA ("Joint Petitioners") on June 27, 2019, in the above-captioned proceedings. The OPUC supports the waiver request of the Joint Petitioners relative to the phase-down of Lifeline support for voice services. Additionally, the OPUC requests that the FCC consider the effects of increasing minimum service standards not only on mobile Lifeline services, but on fixed BIAS as well and take action on its own motion, as it finds appropriate.

Pending the *State of the Lifeline Marketplace Report* in 2021, the Joint Petitioners request that the Wireline Competition Bureau of the Federal Communications Commission ("FCC") exercise its authority, pursuant to 47 C.F.R. §1.3, to waive Section 54.403(a)(2)(i) that phases down the support amount for voice service. The FCC adopted this regulation as part of its efforts to modernize and transition the Lifeline program to include broadband internet access service ("BIAS") and phase out voice as a supported service.¹

As the Joint Petitioners noted, data from the Universal Service Administrative Company shows that more than 3.8 million consumers (approximately 42 percent of all Lifeline customers) subscribe to qualifying voice service. This figure provides persuasive evidence that the FCC should maintain the full level of support pending further consideration. Otherwise, those low-income customers will be harmed financially and deprived of a choice of services, which is contrary to the goals of the Lifeline program. Therefore, the OPUC agrees with the Joint Petitioners that the FCC should suspend the schedule for phasing down the levels of Lifeline support for voice services.

The Joint Petitioners also request a waiver of the rule that governs the minimum amount of data that must be included in a Lifeline-qualifying plan for mobile services.

While the OPUC does not comment on Lifeline mobile plan requirements at this time, we recommend that the FCC also consider a waiver on its own motion of the minimum service standards governing fixed BIAS Lifeline services that are also scheduled to

¹ See generally Lifeline and Link Up Reform and Modernization et al., Third Report and Order, Further Report and Order, and Order on Reconsideration, FCC 16-38 (2016) ("2016 Lifeline Order").

change in December 2019. Specifically, 47 C.F.R. § 54.408(c)(1)(i) requires that the standard for fixed BIAS speed be updated based on FCC Form 477 data. The standard published on July 25, 2019 will raise the minimum required speed for Lifeline fixed BIAS to 20/3 Mbps. The minimum required speed for Lifeline fixed BIAS is currently 18/2 Mbps, raised from 15/2 Mbps in December 2017, and 10/1 Mbps in December 2016. Fixed BIAS Lifeline is offered predominantly by incumbent local exchange carriers. The Joint Petitioners state that they are concerned about upsetting the balance between affordability and reasonable comparability relative to mobile Lifeline services; OPUC believes the same concern applies to fixed BIAS Lifeline services.

The FCC adopted minimum service standards to ensure that quality services are available at "just, reasonable, and affordable rates". As the state Lifeline administrator for Oregon, the OPUC has observed and continues to observe that low-income customers are being "priced out" of the Lifeline program with the annual increase in minimum service standards. As the minimum speed standards for BIAS increase, so do the prices of the associated rate plans, defeating the goal of affordability. Customers may be forced to de-enroll because the additional costs to subscribe to higher BIAS speeds exceed the Lifeline benefits.

Another related issue that the FCC should consider relative to minimum service requirements for fixed BIAS Lifeline services is suspension of the exception in 47 C.F.R. § 54.408(d) that permits fixed BIAS providers to offer Lifeline on fixed BIAS plans that do not meet the minimum service standards. The FCC adopted the exception to ensure that eligible low-income customers were not precluded from applying for Lifeline

² See 2016 Lifeline Order at ¶ 70.

benefits due to lack of broadband infrastructure constraints in their residential area.³

However, some ILECs in Oregon have chosen not to take advantage of this exception and consequently do not offer any Lifeline BIAS plans to their customers in these areas.

Respectfully submitted,

THE PUBLIC UTILITY COMMISSION OF OREGON

Megan Decker Chair

³ See 2016 Lifeline Order at ¶ 108.